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ARTICLE 4: GEOGRAPHIC SCOPE

The geographic scope of this Agreement is the trade between all ports in the countries listed in Appendix A on the one hand, and all ports on the <u>East or</u> West Coast of the United States, on the other, as well as ports and points served via such U.S. and foreign ports (the "Trade").

ARTICLE 5: AUTHORITY

- 5. As hereinafter described, the Parties will cooperate with respect to the deployment and operation of one or more joint strings in the Trade.
 - A. The Joint String(s).
- 1. The Parties are authorized to discuss and agree upon the number, size, type, speed and other characteristics of vessels to be deployed by them in the Trade under Article 5.A, up to a maximum of twenty-seven sixty (6027) vessels having a capacity of up to approximately 12,500 TEUs. Initially, the Parties will deploy

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thirteen (13) vessels with an effective capacity of approximately 8,000 TEUs each on strings designated by the G6 Lines as the NP1 and NP3 services.

Initially, four (4) of the vessels in the NP1 service and six (6) of the vessels in the NP3 service will be provided by the G6 Lines, and three (3) of the vessels in the NP1 service will be provided by Zim. Beginning on or about the effective date of amendment 004 to this Agreement, or such later date as the Parties may agree, the Parties will deploy thirty-three (33) vessels with an effective capacity of up to approximately 10,000 TEUs each on the strings designated by the G6 Lines as the CEC/SVS and AZX services. Initially, nineteen (19) of the vessels in the CEC/SVS service and eleven (11) of the vessels in AZX service will be provided by the G6 Lines, and three (3) of the vessels in the CEC/SVS service will be provided by Zim. Zim has indicated it intends to suspend its Z7S service.

- 2. The Parties may without amendment: (a) agree to the joint deployment and operation of additional strings in the Trade, and (b) vary the number of vessels provided by either Party, all subject to the above-stated maximum number and size of vessels.
- 3. Except as otherwise agreed, each Party shall be responsible for the costs of providing and operating the vessel(s) it provides. Parties may substitute vessels for those originally provided, subject to such replacement vessels being able to perform the established schedule without interruption and to provide the other Party with the necessary capacity.

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4. The Parties are authorized to discuss and agree on the ports to be served, the port rotation to be followed, the scheduling of vessels, transit times, adjustment of the speed of vessels (including slow steaming), and all other matters relating to the scheduling and coordination of vessels. Regular reviews, including operational efficiencies of the service, shall be conducted and changes shall be agreed and action taken where necessary, in order to maintain a high quality product network covering the Parties' requirements.

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party ocean common carriers in the Trade on an *ad hoc* basis (meaning one voyage at a time). All slot charters to third parties – *ad hoc* or otherwise – shall be to a Vessel-Operating Common Carrier ("VOCC"), shall require the approval of the other Party, are subject to applicable filing requirements, and shall include a requirement that the third party make no further subcharters without prior written consent of both Parties. Except to the extent that the Parties agree otherwise in writing, a Line subchartering space to a third party VOCC shall remain responsible for all obligations and liabilities arising under this Agreement (and/or under any agreement among the Parties made pursuant to this Agreement) in respect of the slots subchartered by that Line.

- (b) Notwithstanding anything to the contrary in above sub-paragraph (a), the initial allocation on the NP1 service shall be 7,630 TEUs for the G6 Lines and 1,570 TEUs for Zim. The initial allocation on the NP3 service shall be 5,779 TEUs for the G6 Lines and 1,921 TEUs for Zim. The initial allocation on the CEC/SVS service shall be 1,600 TEUs for Zim and the remainder for the G6 Lines. The initial allocation on the AZX service shall be 418 TEUs for Zim and the remainder for the G6 Lines.
- (c) Each Party and Line shall be entitled to use its space allocation without any geographical restrictions regarding the origin or destination of the

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cargo subject to operational restrictions and efficiency targets as the Parties may adopt from time to time, and subject to the concurrence of the vessel operator in the case of hazardous, breakbulk, or noncontainerized cargo. There

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APPENDIX A

The following countries are within the geographic scope of the Agreement:

Canada Egypt Hong Kong Italy Jamaica Japan Malaysia Panama People's Republic of China Saudi Arabia Singapore South Korea Sri Lanka Taiwan Thailand **United Arab Emirates**

Vietnam